

Levee Road Water Association

P.O. Box 770, 4960 Levee RD, Mt. Sterling, KY 40353

Ph. (859) 404-4117/Fax (859) 498-1279

RECEIVED

JUL 19 2011

**PUBLIC SERVICE
COMMISSION**

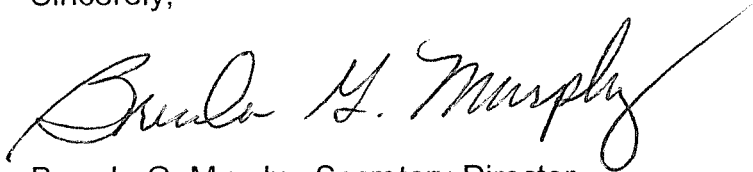
Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Lyon County Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will notice our customers of this requested rate revision before the new bills are issued.

Sincerely,



Brenda G. Murphy, Secretary-Director
Levee Road Water Association
enclosure



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

June 30, 2011

Brenda G. Murphy, Secretary-Director
Levee Road Water Association
P.O. Box 770
Mt. Sterling, KY 40353

Ms. Murphy:

Find enclosed the purchase water application regarding. You will need to sign the letter, application and the tariff page, you should not put an effective date on the tariff page. The notice will need to be either published in your newspaper 1 time before the mailing of the 1st bill with the new rates or you may notice your customers either with a mail insert or with a notation on your bills at least once before the bill with the new rates become effective.

You will need to supply the Commission with the original application and 10 copies.

If the Board has approved the August 1 effective date you should include with the application packets a copy of those minutes

If you have any additional questions please give us a call (502) 564-3940, Sam Reid or I will be happy to assist you.

Sincerely,

Eddie Beavers
Rate Analyst

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PUBLIC SERVICE
COMMISSION

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)**

Name of Utility	LEVEE ROAD WATER ASSOCIATION	
Date	July 1, 2011	
Address	P.O. Box 770, 4960 Levee Road	
City, State, Zip	Mt. Sterling, KY	40353
Telephone Number	859-404-4117	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

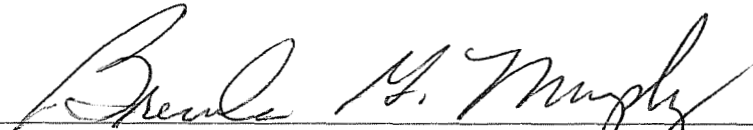
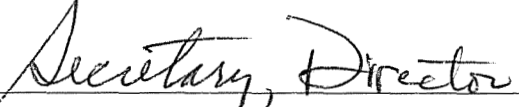
Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water and Sewer System	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	June, 2010	through	May 2011
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Mt. Sterling Water and Sewer System	53,462,029 gallons
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period	43,020,856 gallons
5. Increased water cost	\$14,434.74
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.34
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	August 1, 2011
	
Signature of Utility Officer	
	
Title	

NOTICE

Mt. Sterling Water & Sewer System ("Mt. Sterling") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Levee Road Water Association	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Reid Village Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Montgomery County Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Judy Water Association	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Bath County Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase

The proposed effective date is May 1, 2011.

The rates contained in this notice are the rates proposed by Mt. Sterling. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by Mt. Sterling by contacting the Manager, Rick Fletcher, at the offices of Mt. Sterling, 300 East Main Street in Mt. Sterling, Kentucky; telephone (859) 498-0166.

Any person may examine the rate application and other filings made by Mt. Sterling by visiting the offices of Mt. Sterling at 300 East Main Street in Mt. Sterling, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

April 25, 2011

Brenda Murphy
Levee Road Water Association
P.O. Box 770
Mount Sterling, Kentucky 40353

Brenda,

Please find enclosed a notice in which the Kentucky Public Service Commission (PSC) has asked that we pass on to the 5 districts/associations, regulated by their agency, that purchase water from Mt. Sterling Water and Sewer (Mt. Sterling). This notice is in reference to Mt. Sterling's proposed rate increase which is intended to go into effect May 1, 2011, pending PSC approval.

Should you have questions or comments concerning this increase please contact either the PSC office or myself, contact information for the both of us is detailed in the notice.
Thanks.

Sincerely,

A handwritten signature in black ink that reads "Rick D. Fletcher". The signature is written in a cursive style with a large, looping initial "R".

Rick Fletcher
Manager
Mount Sterling Water and Sewer

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

March 18, 2011

Brenda Murphy
Levee Road Water Association
P.O. Box 770
Mount Sterling, Kentucky 40353

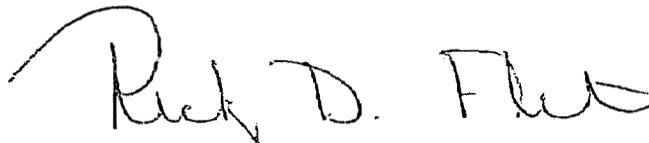
Re: Wholesale Rate Increase

Brenda,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer, recently completed a cost of service study, related to both retail and wholesale rates. The results of this study indicated that a rate modification was justifiable. A tariff has been filed with the Public Service Commission (PSC) asking for approval to alter our current wholesale rates from \$2.07/1,000 gallons to \$2.34, an increase of 13 percent. We have requested approval that this increase be effective May 1, 2011, should this increase be approved it will be reflected in the June billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers received notice of any increase a minimum of 30 days prior to the implementation of said increase. It is unfortunate that we find it necessary to implement an increase at this time, given the state of our economy. However I hope you will understand that Mt. Sterling has not had a rate increase in three years and during that time period cost have continued to escalate, as I'm sure you are aware. In closing thank you for your understanding and cooperation concerning this matter.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

March 18, 2011

Executive Director
Kentucky Public Service Commission
P.O. Box 616
211 Sower Blvd.
Frankfort, Kentucky 40602

Re: Wholesale Rate Increase

Dear Sir/Madam,

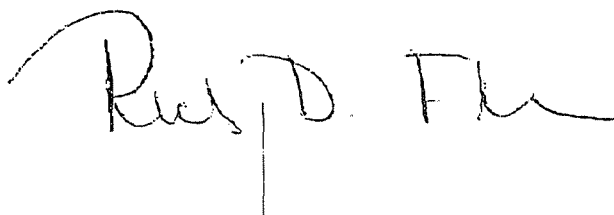
Please allow this letter to serve as notification that our utility, Mt. Sterling Water and Sewer, has recently completed a cost of service study for our retail and wholesale customers. Based on results of this study we are requesting Public Service Commission approval to increase our current wholesale rate from \$2.07/1,000 gallons to \$2.34. The effective date in which we plan to implement this increase is May 1, 2011, which will be reflected in the June billing.

Wholesale users which will be affected by this increase are Levee Road Water District, Reid Village Water District, the City of Jeffersonville, Montgomery County Water District, Judy Water Association and the Bath County Water District.

Enclosed please find a tariff sheet, copies of each of the wholesale customer notices and the cost of service study.

Should you have questions or comments concerning this rate modification request please contact me at (859) 498-0166. Thanks, your time and attention concerning this matter is greatly appreciated.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

FOR Mt. Sterling, Kentucky

PSC KY NO. _____

_____ SHEET NO. _____

Mt. Sterling Water and Sewer Commission
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Wholesale Rate to:

- Levee Road Water District
- Reid Village Water District
- City of Jeffersonville
- City of Camargo
- Judy Water Association
- Bath County Water District

\$2.34 Per 1,000 Gallons

DATE OF ISSUE March 21, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE May 1, 2011
MONTH / DATE / YEAR

ISSUED BY *Rich D. Flue*
SIGNATURE OF OFFICER

TITLE Manager, Mt. Sterling Water and Sewer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Levee Road WA 2011

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Mt Sterling	\$2.3400	\$2.0700

TWELVE MONTH TEST PERIOD: June 2010 thru May 2011

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Mt Sterling	53,462,029

TOTAL 53,462,029

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Mt Sterling	125,101.15	110,666.40	
TOTAL	\$125,101.15	\$110,666.40	= \$14,434.75

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 43,020,856

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

\$14,434.75 / 43,020,856 /1000 = 0.335529071

ROUNDED 0.34

FOR Montgomery County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____
CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

LEVEE ROAD WATER ASSOCIATION
(Name of Utility)

RATES

MONTHLY RATES:

First	1,000 Gallons	\$10.89	Minimum Bill
Next	2,000 Gallons	4.49	per 1000 gallons
Next	3,000 Gallons	3.79	per 1000 gallons
Next	19,000 Gallons	3.04	per 1000 gallons
Next	25,000 Gallons	2.69	per 1000 gallons
Over	10,000 Gallons	2.39	per 1000 gallons
Commercial Hauler		\$4.77	per 1000 gallons
Any Individual who has a Private Loading Unit		\$4.77	per 1000 gallons
All Water purchased from Water Coin Vendor		\$5.27	per 1000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

NOTICE

Due to a rate increase from the Mt. Sterling Water and Sewer System, notice is hereby given that Levee Road Water Association has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. The proposed change will be effective for service rendered on and after **AUGUST 1, 2011.**

Monthly Rate:

		<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
First	1,000 Gallons	\$10.55	\$10.89 Minimum Bill	3.22%
Next	2,000 Gallons	4.15	4.49 per 1,000 gal.	8.19%
Next	3,000 Gallons	3.45	3.79 per 1,000 gal.	9.86%
Next	19,000 Gallons	2.70	3.04 per 1,000 gal.	12.59%
Next	25,000 Gallons	2.35	2.69 per 1,000 gal.	14.47%
Over	50,000 Gallons	2.05	2.39 per 1,000 gal.	16.59%
Commercial Hauler		4.43	4.77 per 1,000 gal.	7.68%
Private Individual with a Private Loading Unit		4.43	4.77 per 1,000 gal.	7.68%
Water Drop Coin Vendor		4.93	5.27 per 1,000 gal.	6.90%

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.70 from \$25.75 to \$27.45 or 6.60%.

The rates contained in this notice are the rates proposed by Levee Road Water Association. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Levee Road Water Association has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 4960 Levee Rd, Mt. Sterling, KY 40353.

Levee Road Water Association

7-14-2011

Regular monthly meeting
held at water office on
Thursday, 7-14-2011 @ 7:00 P.M.
meeting called to order by
Jimmy Linkous.

Attending, Patti Knox, Jimmy
Linkous, Billy + Margorie Barnett
Brenda Murphy + Anthony Thomas.
Received notice that a pass thru
rate is approved for Levee Water
Assoc, effective 8-1-2011.

Bills reviewed and paid.
Judge executive ask about a
exposed line on Nest Egg Rd,
this is a customers service line
not a line of the water Co.

Motion by Anthony Thomas
meeting adjourn. Seconded
by Billy Ray Barnett.

Respectively Submitted
~~Jamie Knox~~
Brenda H. Murphy, Secretary